

X Paying Millions In Severance Arbitration Losses, Atty Says

By **Brian Dowling**

Law360 (May 9, 2025, 5:05 PM EDT) -- X Corp. has lost nine out of every 10 arbitrations over former Twitter employees' claims they were shorted on severance payouts after Elon Musk's takeover of the social media company, resulting in awards ranging from \$100,000 to millions of dollars, one of the workers' attorneys told a California federal judge.

Shannon Liss-Riordan of Lichten and Liss-Riordan PC made the comments Thursday in response to the judge's questions during a hearing in former Twitter employee Eitan Adler's case alleging the company failed to issue notices under the federal Worker Adjustment and Retraining Notification Act before it executed mass layoffs in 2023.

More than 2,000 ex-Twitter workers nationwide represented by Liss-Riordan and her firm are seeking severance pay in arbitration proceedings. The firm is also representing a proposed class of hundreds of plaintiffs who opted out of arbitration in a pending case in Delaware federal court.

The plaintiffs in the Delaware action provided the judge with a sampling of arbitration awards under seal as supplemental authorities that could aid his decision on X's motion to toss the case. The judge — U.S. Circuit Judge Todd M. Hughes of the U.S. Court of Appeals for the Federal Circuit, sitting on the case by designation — granted **X's motion to strike** the filings from the docket, ruling that they don't add anything to his consideration. Multiple media companies had also urged the court to unseal the awards on the docket.

But in the San Francisco federal courtroom on Thursday, U.S. District Judge James Donato invited Liss-Riordan to discuss the bottom-line details, according to a transcript of the proceedings.

Liss-Riordan told the court she and her colleagues had conducted 130 arbitrations.

"What's the ratio so far on wins and losses?" Judge Donato asked. Liss-Riordan responded that her clients have won more than 90% of the arbitrations.

Twitter's attorney, Eric Meckley of Morgan Lewis & Bockius LLP, said he couldn't speak to the percentage but added, "We've won some of them, as well, so it's a mixed bag."

"And how much are the average awards? Two weeks' pay under the WARN Act or something?" the judge asked.

Liss Riordan explained that the arbitrations are focused on the severance owed and told the judge, "They range from, you know, \$100,000 to millions of dollars."

"Millions?" the judge asked, turning to Twitter's counsel. "Is that right?"

Meckley said he didn't want to speak about the confidential arbitration awards. The judge asked Meckley how many more arbitrations the company will "slog through before you decide on this thing."

"I can't speak to that either, Your Honor," Meckley responded, but then was cut off by Judge Donato, who said, "You can't speak to anything."

Liss Riordan, in response to a question from Law360 on Friday, defended her decision to publicly discuss the arbitrations, which are typically confidential.

"A federal judge asked me these questions in court," she told Law360. "So I answered him."

Meckley and other counsel for X were not immediately available for comment on Friday.

The workers' two-year-old legal battle over the severance payments saw X successfully break early class action complaints by enforcing arbitration agreements that workers entered into covering employment claims. But X has refused to cooperate in many of the proceedings, according to plaintiffs, prompting the former employees to sue in multiple states to force the company's participation.

In Colorado, Illinois and **Washington**, ex-Twitter workers have asked the federal courts in new complaints to compel X to participate in the arbitrations, claiming violations of the Federal Arbitration Act. Cases in **Massachusetts** and New York allege breach of contract and promissory estoppel claims based on the company's alleged reneging on its severance promises.

Adler is represented by Shannon Liss-Riordan and Bradley Manewith of Lichten & Liss-Riordan PC.

X and Twitter are represented by Eric Meckley, Ashlee N. Cherry and Brian D. Berry of Morgan Lewis & Bockius LLP.

The case is Adler v. Twitter Inc. et al., case number 3:23-cv-01788, in the U.S. District Court for the Northern District of California.

--Editing by Melissa Treolo.